



STATE OF WASHINGTON
WASHINGTON STATE BOARD OF HEALTH
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June 12, 2002

To: Washington State Board of Health Members
From: Don Sloma, Executive Director
Re: SBOH PROPOSED BUDGET FOR THE 2003-2005 BIENNIUM

Background and Summary

At its March meeting, the Board asked that an Ad Hoc Board Budget Committee be convened, comprised of the Board committee chairs—Linda Lake, Carl Osaki, Tom Locke, Vickie Ybarra and Joe Finkbonner. Its initial purpose was to review the Board's proposed allotments for the remainder of the present biennium (2001-2003), and to begin considering budget options for the upcoming biennium (2003-2005). A proposed Board budget for the upcoming biennium is due to the Governor's budget office in September 2002. (Please see the attached 2003-2005 Biennial Budget Timeline for key dates in the yearlong state agency budgeting process.)

The Board's Ad Hoc Budget Committee met by conference call on April 23, 2002 with all members except Ms. Ybarra and Dr. Locke participating. I had a subsequent conversation about the Board's budget with Dr. Locke. The Committee reviewed an earlier version of the attached document and asked that I forward it to the entire Board for your information. That version was presented at the May 8, 2002 Board meeting.

Since the last Board meeting, the Governor's budget office released instructions for preparing state agency budget proposals for operations beginning in July 2003 and ending in June 2005. They contain a significant change in the traditional process. In past years, agencies were asked for a series of discrete budget reduction and enhancement packages. When reductions were requested, an overall target reduction percentage was stated. For example, last fall many agencies were asked to submit reductions totaling 15 percent. The recently released budget instructions for preparing 2003-2005 budget proposals replace this practice with a request for a more general prioritization of all existing agency activities into one of three categories: high, medium or low. The instructions ask that one third of each agency's activities be classified as low priority.

What is more, given the state's financial picture, various instructions from the Governor's office have emphasized the need to examine agency operations closely and to focus on core services and essential missions.

While no specific reduction targets have been identified thus far, various informal reports indicate that the state will continue to experience a shortfall between expected revenues and current level spending requirements throughout the 2003-2005 biennium. Informal estimates indicate a shortfall of some \$1 billion to \$1.5 billion in state general funds to meet estimated requirements of some \$24 billion. This translates to some 4 to 6 percent. The state Board of Health is funded entirely from the state's general fund.

Given this background, and the fact that the Board has no meetings planned between now and September, when our initial budget proposal for the 2003-2005-budget period is due to the Governor's budget office, I would like some direction from the Board. I have the following questions:

1. What is the Board's direction as to overall budget level? Should our budget proposal seek to maintain our current level, seek enhancements or propose reductions?
2. If the Board is asked to prioritize its activities as high, medium and low with one-third of our activity being low, how should our activities be described and prioritized?
3. As I prepare budget proposals and supporting documents for submittal this summer, by what process should I seek input, approval and specific direction from Board members?

To help in these deliberations, the attached memo contains new information on the Board's current budget and on the cost of several activities the Board has completed in recent years. They are intended to provide some level of precision to the discussion of priorities and their cost.

Recommended Board Action:

I hope the Board will consider, modify and approve a motion that provides direction on

- 1) the overall spending level to request for Board activities in the 2003-2005 biennium, (current level, reduction per Governor's overall direction, or enhancement);*
- 2) those of its activities the Board believes are highest, medium and lowest priority; and*
- 3) any review or approval process the Board may wish to establish for its budget submittal other than review and approval by the Chair.*

Overview of the Washington State Board of Health

As you all know, the Washington State Board of Health has ten members, appointed by the governor, to three-year, renewable terms. (For a listing of Board members, their statutorily required representation and for biographies of current incumbents, see the Board's Web page at <http://www.doh.wa.gov/sboh/About/members.htm>) There is no requirement for Senate confirmation.

At one time, the Board met monthly. Because of budget reductions sustained since July 1999, the Board now meets seven to nine times a year for full-day meetings at various locations throughout the state. At present, the Board has standing committees on Health Disparities, Environmental Health, Children's Health and Well Being, and Critical Health Services. These four groups communicate informally with staff and meet as needed to plan, focus and complete reports and recommendations to the Board.

The Board staff consists of an Executive Director, a Confidential Secretary (both appointed by the Board), one part-time and two full-time policy analysts, and an office assistant. Limited funds were available at one time for temporary project staff or contractors. In addition, student interns are used as their interests and skills are deemed to enhance the Board's work.

The Board has three major types of responsibility authorized in some 109 separate enactments of state law. It approves rules for many "traditional" public health programs; it is a forum on health issues; and it develops health policy recommendations.

From the beginning of the 1999-2001 budget period to the end of the 2001-2003 period, the Board will have sustained a 19 percent reduction in operating funds. Its FY03 operating budget is approximately \$440,000. (Please see Attachment 1 for proposed allotments and assumptions for FY03.)

Current Activities

The Board's day-to-day operations are largely accomplished through staff that executes Board approved work plans and other activities in regular consultation with Board members via email and telephone. The following summarizes current work.

Children's Health & Well-Being (Phase II)

- Present and discuss final report at meetings and conferences
Ongoing
- Continue to discuss the use of the Board's *Recommended List of Clinical Preventive Services for Children Ages Birth to 10* by state and local agencies and organizations
Ongoing
- Continue to encourage the use of the *Start Right—Start Healthy* brochure by schools, health care providers, and state and local agencies and organizations that are focused on children's health and well-being
Ongoing
- Participate on and monitor appropriate DOH, OSPI, and DSHS advisory committees as well as other public or private advisory committees working to improve children's access to well child screenings
Ongoing

- Track and encourage efforts in the public and private sectors to improve the health and well being of all children in Washington
Ongoing
- Determine options and recommendations for Board efforts that would contribute to preventing and reducing overweight and obesity in young children, focusing on nutrition, physical activity, and health education
January 2002-June 2003
- Collaborate with other state and local agencies and organizations working to prevent and reduce obesity and overweight in children
January 2002-June 2003
- Revise the current immunization rule (WAC 246-100-166) so that in the case of a vaccine shortage children can attend school or licensed childcare
March 2002-October 2003
- Revise the Vital Statistics WAC to accommodate new federal standards
September 2002
- Revise the Prenatal WAC to assure it reflects current standard of practice
October 2002
- Revise the newborn Screening WAC based on recommendations for criteria to determine additional disorders for screening all newborns and the disorders that meet that criteria
May 2003

Health Disparities

Facilitate convening of Health Care Workforce Diversity Network – first meeting held on March 12, 2002

- Ongoing*
- Health Care Workforce Diversity Network reports to Board
November 2003
- American Indian Health Commission – SBOH meeting follow up discussion of policy recommendations to 2003 legislature
April 2002 through January 2003
- Participate in additional meetings and activities
Ongoing

Environmental Health

- Participate in the Environmental Justice Interagency Workgroup
Ongoing
- Maintain Board Environmental Justice Web site
Ongoing
- Participate in other statewide activities as appropriate
Ongoing
- Research community assessment processes currently used by local and state environmental and public health programs. Compile list of tools or models being used to guide their processes (e.g., PACE EH, EPA and NEJAC's Model Plan for Public Participation, DOE's checklist)
June 2002
- Interview key community and agency members to hear their ideas, problems, needs, and recommendations for improving community assessment processes
December 2002
- Convene workgroup of key community and agency members to discuss community engagement processes and draft joint recommendations to improve the processes

May 2003

- Participate in community events and meetings involving multiple stakeholders and addressing environmental health issues to help identify additional stakeholders and community engagement processes

Ongoing

- Draft final report summarizing the Committee's findings and making recommendations to encourage better interagency coordination and community engagement in the decision-making process addressing environmental health issues

November 2003

Access

- Present final report and menu at meetings and conferences

Ongoing

- Continue to discuss the use of the Board's menu by state purchasing and regulatory agencies as a potential basis for an insurance product, as a guide to LHJs for implementing PHIP standards, as a tool for assessing access, and for other purposes

Ongoing

- Continue to promote use of menu through PHIP meetings

Ongoing

- Continue to participate in HRSA grant oversight panel

Ongoing

- Continue to participate in Governor's Sub cabinet on Health and Agency Medical Director's Workgroup

Ongoing

- Assist in convening public forums for discussion of HRSA planning grant findings and recommendations

May to November 2002

- Encourage LHJs to present local access issues at Board meetings

Ongoing

- Continue to track and provide visibility for local access improvement efforts such as those going on in Spokane, Jefferson, Thurston, Clark and other counties

Ongoing

Genetics

- Conduct a Genetics Task Force meeting to review draft Task Force report; conduct further Task Force discussion of possible recommendations if needed; and approve report, if possible

June 2002

- Conduct Task Force meeting to approve final Task Force report and any recommendations

September 2002

- Presentation of final report to the State Board of Health and to the Legislature (at the October Board meeting)

October 2002

Emergency Preparedness

Through public meetings and research, the Board has identified several specific programmatic areas where the capacity of the public health systems can and should be improved. In this rapidly evolving national context, the Board offers specific recommendations for Washington State's emergency preparedness planners. These include the Board's own development of rules governing emergency powers of local health officers in regard to isolation, quarantine and the securing or use of facilities.

Rules Development Activities

GENERAL SUBJECT	STATUS
Food Service	Notice given of intent to consider rule change (CR101) in 11/01; stakeholder advisory committee meeting regularly; Board hearing on draft rule by 12/04.
Food Worker Permits	Board hearing on draft rule in 10/02.
Group “B” Water Systems	Interim report by 1/03.
Immunization	Emergency exception to mandatory immunizations to be considered in 6/02. Board hearing on permanent rule by 12/02.
Isolation & Quarantine – Emergency Powers	Public hearing on draft rule by 9/02.
Newborn Screening	Public hearing on draft rule by 12/03.
On-Site Wastewater Sewage System	Notice given of intent to consider rule change (CR101) in 1/02; stakeholder advisory committee meeting regularly; Board hearing on draft rule by 12/03
Prenatal Testing	Board hearing on draft rule by 10/02.
Transient Accommodations	Board hearing on draft rule by 10/02.
Vital Statistics	Board hearing on draft rule by 10/02.
Water Recreation	Board hearing on draft rule by 9/02.

Budget Outlook for Fiscal Year 2003

Attachment 1 contains proposed allotments and key assumptions upon which they are based for the Board’s FY 03 budget period. The proposed allotments anticipate continuation of current Board operations and staffing, including the following:

- Seven Board meetings, including four outside the Puget Sound region,
- A 5% increase in employer’s share of employee health benefits,
- An inflationary increase in state maximum overnight accommodation allowances for Board and staff travel associated primarily with Board meetings,
- A limitation on the number of professionally printed Board reports to an annual report and two additional reports,
- A limitation on Board member and staff conference attendance, and
- A potential doubling of AAG activity because of rule changes to be considered in HIV testing of pregnant women, mandatory immunizations, prenatal testing, newborn screening, vital records, transient accommodations, Group “B” water systems, and water recreation.

Our assumptions thus far do not include, up to \$30,000 in additional funds that we may be able to claim from a federal Bioterrorism Preparedness Grant for Board operations, (including AAG activities) for the development of changes to the Board’s rules on the emergency powers of local health officers.

Budgeting Options for the 2003-2005 Biennium

As the Board develops its budget recommendations for the 2003-05 biennium, it may wish to be mindful of the general estimates some have made about state revenues for this period. No revenue surplus is estimated, and some suggest that overall state revenue will fall short of “current level” requirements by as much as 15 percent. Previous OFM budget directives have included a general warning about the revenue picture next biennium, exhorting budget planners to examine current operations closely. The most recent such instruction appeared in the recently released OFM 2003-05 Budget Instructions. It asks agencies for a general prioritization of all existing agency activities into one of three categories: high, medium or low priority. The instructions ask that one-third of each agency’s activities be classified as low priority.

Notwithstanding the revenue outlook, the Board may seek either to expand or to reduce its activities based on its own assessment of need and resources. The following information and programming options are presented to stimulate that discussion among Board members.

Budget Building Blocks

The Board’s FY03 budget allotment is \$440,000. This will support the Board’s 5.5 FTEs and all related costs for seven Board meetings, several sub-committee meetings, and two Genetics Task Force meetings, including all printing, travel, office expenses and various indirect costs. To simplify budget discussions, I have constructed several “Budget Building Blocks.” These are average costs for staffing, for certain goods and services, and for certain activities the Board has directed and whose level of effort you may be familiar with.

Item or Activity	Comments	Average Annual Cost
Average Policy Staff (3.5 FTE)	Salary and benefits (per FTE)	70,000
Average Support Staff (2 FTE)	Salary and benefits (per FTE)	37,500
Office Overhead	Space, Computers, Phones, Maintenance etc.	70,000
Lay Out and Printing	Annual Report and two other reports	10,000
In-state Board Member and Staff Conference Registrations	Washington Health Leg. Conf., Joint Health Conf., and WSALPHO meetings only	5,000
In-State Travel	Board members and staff	25,000
Assistant Attorney General Time		10,000

Board Activity Costs

Another way of thinking about the Board’s budget is to associate costs with various Board activities. This involves estimating proportions of staff time, overhead costs, printing, travel, consulting services and other costs associated with a particular output. For example, we estimate that each hour of Board meeting time costs approximately \$1,000 if we consider the cost of Board member and staff time to travel to and from the meeting, travel costs, meeting room costs, and other direct costs. This estimate does not include staff time or overhead to perform the research, prepare the documents, consult with Board members and others and otherwise prepare products for the Board’s consideration.

In recent years, the Board has completed several rule changes, research and policy development projects. Estimated timelines and total estimated State Board of Health costs for each of these projects are summarized below. These include SBOH overhead costs for office facilities, travel, support and

policy staff, meeting costs, printing and more. Please note, these do not include DOH costs in support of Board activities.

Priority Project	Approximate Timeframe	Primary Cost Elements	Total Estimated Cost
Health Disparities and Work Force	18 months	SBOH staff time, SBOH meeting time, meeting time, printing	\$100,000
Children's Health	30 months	SBOH staff time, consultants, meeting costs, SBOH meeting costs, printing (includes cost of overseeing rules changes)	\$150,000
Public Health Emergency Response Report	3 months	SBOH staff time, SBOH meeting costs.	\$20,000
Public Health Emergency Rule	9 months	SBOH staff time, meeting costs, AAG time	\$35,000
Genetics Task Force	12 months	SBOH staff time, consultants, meeting costs, printing, SBOH meeting time	\$55,000
HIV Pregnant Women Testing Rule	12 months	SBOH staff time to monitor DOH process, Board meeting time	\$2,500

Options for Expanding Board Activities

At our Board retreat in the summer of 2001, in various individual conversations I have had with Board members, and in conversations with others about the Board, several suggestions for modification to the Board and its activities have emerged. I have summarized them below to facilitate our budget discussion. None of these are staff recommendations.

Further "Amplifying" the Voice of Public Health Last year the Board directed staff to increase efforts to raise the visibility of certain public health issues the Board thought were especially important. Since that time, the Board has endeavored to hold meetings in strategic locations, to publish reports widely, to communicate strategically with the Legislature and to cultivate relationships with media outlets in pursuit of this objective. Some feel more may need to be done. Board staff could develop a specific plan to do more in this area for the Board's consideration. It might include the drafting of Op Ed pieces on priority health issues, the visiting of newspaper editorial boards by Board members, the giving of speeches at various public health conferences or other gatherings, the production of public affairs TV programming in collaboration with public television stations or other interested media outlets, and more.

Broadening the Board's Composition and Role in Medical Financing and Regulation Policy

Development Current law authorizes the Board's public forum and policy development activities to encompass both population-based public health issues as well as personal health and medical services issues. The Board's effectiveness may be hampered in dealing with medical system issues by the fact that its composition does not include the state's principal administrators and policy advisors in this area (the secretary of social and health services, the administrator of the health care authority, the Governor's health policy advisor, and others). The Board might pursue legislation or other strategies to include these people in its work in medical policy development.

Administrative Simplification in Medical Care Purchasing and Regulation This area includes the search for more efficiency in the business operations that surround the delivery and payment for medical services. It includes standardization schemes for eligibility, claims verification, payment, credentialing, collection of public health surveillance information, and more. It is intimately related to issues of medical information privacy and implementation of HIPAA.

Children's Environmental Health This is an emerging area of interest among children's advocates and environmental health experts. Unsuccessful legislation this year would have required the Board to convene a state agency and expert panel to review existing rules and laws and to recommend improvements. The school indoor air quality issues presented to the Board at its March meeting are a specific example. Other issues include the impact of environmental pollutants on asthma, and the health impacts of persistent bioaccumulative toxins such as pesticides, lead, and mercury.

Emergency Preparedness Procedures for Use of Facilities, for Credentialing and Liability

Determination These procedures have been cited by many experts as needing attention as parts of the state's efforts to improve its preparedness. Establishing procedures to assure availability of needed facilities seems clearly within the Board's existing statutory authority. The other issues may be less so. However, the Board may wish to pursue a policy development role in any or all of these areas.

Diet, Exercise and Obesity in Children and/or Adults A flurry of research reports and media attention has focused on the number two cause of preventable morbidity and mortality: obesity. While a portion of the Board's existing work in Children's Health is a focus on obesity, some have argued the Board should do more to focus on earlier childhood nutrition and exercise issues, to raise awareness, and to lead a public dialogue on the proper role of government in these areas.

Powers, Duties and Operations of Other State Boards of Health At present, a student intern is conducting a limited survey of the powers and duties of the 45 other state Boards of Health in anticipation of questions arising about Washington's Board and to search for innovative strategies. The Centers for Disease Control and Prevention has expressed interest in the results of the project and might be interested in financing a more comprehensive look.

Minimum Requirements for State and Local Health Jurisdictions Ever tightening public budgets have led to increased interest among local elected officials and others about the minimum requirements for state and local public health agencies. Such requirements are now often determined in specific program areas by analysis of current laws, rules, contracts and other documents. However, no comprehensive summary appears to exist, despite an apparent statutory expectation in Chapter 70.46 RCW that the State Board of Health will promulgate such standards. The Public Health Improvement Partnership Standards for State and Local Health Jurisdictions, while never formally adopted by the Board, are increasingly viewed as the best, single current statement on standards. However, their specific use has not yet been determined. Many of the standards contain general references to the need

to adhere to existing rules and laws. However, some of the standards have uncertain legal basis. The standards themselves may come to be seen more as a guide to preferred practices than as a statement of minimum requirements. Determining a clear minimum set of requirements for state and local public health agencies would be a long, complex and expensive undertaking. But the lack of such a clear set of standards may also be problematic.

Finalizing the Inventory of State Board of Health Statutory Authority In early 2000, Board staff completed a draft inventory of some 109 references to the State Board of Health in the Revised Code of Washington. The document is available on the Board's Web page. The document was never finalized because of concern that the inventory had not been analyzed by legal counsel and had not been reconciled with the sometimes overlapping, duplicative and conflicting authority granted to DOH, DSHS, Department of Ecology, LHJs and others. Completing this work would require a willing collaboration and resource commitment from DOH and possibly other agencies, but might yield a clear understanding of the legal basis for public health programs in our state.

Options for Reducing Board Activities

Reduce Board Engagement in and Oversight of DOH/SBOH Rule Development New Board procedures developed in recent years have sought to improve both the efficiency and the quality of the Board's role in rule making. Staff and Board member time has been saved on briefings and analysis of rules with limited policy or community significance, while Board member and Board staff engagement has been increased on more significant rules. If the Board would prefer less oversight or engagement in rule making, rules might be delegated to DOH more frequently and/or DOH staff might be asked to assume a greater role in staffing the Board directly on rules.

Repeal the Requirement of a State Health Report Current law requires that a state health report be produced biennially with a goal of helping to guide state agency biennial budget and policy development. While the 2002 State Health Report was well received by those who reviewed it, its utility has been frequently questioned. It remains to be seen what impact it may have on state health policy. Repealing the requirement to produce the report, including the research and the analysis required to attend it, could free up resources which might be taken as savings or redirected to other activities.

Limit Public Forum and/or Policy Development Activities to Those Directly Regulated by the Board Current law authorizes the Board to conduct public forums and to pursue policy development work on any health topic where the Board feels it can make a significant impact. Under this proposal, such activities would be limited only to those areas where the legislature has granted the Board specific authority to make rules or directed it to conduct studies or other activities.

Attachments